United Nations A/58/705

General Assembly

Distr.: General
9 February 2004

Original: English

Fifty-eighth session
Agenda item 134
Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Overview of the financing of the United Nations peacekeeping operations: budget performance for the period from 1 July 2002 to 30 June 2003 and budget for the period from 1 July 2004 to 30 June 2005

Report of the Secretary-General

Contents

		Paragraphs	Page
	Abbreviations		4
I.	Overview	1–4	5
II.	Budget performance for the period from 1 July 2002 to 30 June 2003	5–12	6
III.	Proposed budget estimates for the period from 1 July 2004 to 30 June 2005	13–50	17
	A. Results-based budgeting	13–18	17
	B. Financial resources	19–22	21
	C. Human resources	23	27
	D. Air operations	24–27	27
	E. Inventory management	28-31	28
	F. Training	32–34	29
	G. Information and communication technology	35–40	31
	H. Management of contingent-owned equipment and memorandums of understanding	41–46	33

04-23365 (E) 030304

	I. Death and disability	47–48	35
	J. Peacekeeping procurement	49	37
	K. Banking arrangements	50	38
IV.	Conclusion	51	38

Summary

The present report provides an overview of the financial and administrative aspects of peacekeeping. It provides consolidated information on the performance of the peacekeeping budgets for the period from 1 July 2002 to 30 June 2003 and on the budget proposals for the period from 1 July 2004 to 30 June 2005. The report outlines further improvements in the results-based-budgetary frameworks in the peacekeeping missions' budgets for 2004/05 and addresses cross-cutting issues in the operational aspects of peacekeeping and their financial implications. By providing a global overview and analysis of the financing of peacekeeping missions, the report aims to facilitate the decision-making process of legislative bodies.

For the period from 1 July 2002 to 30 June 2003, total expenditure amounted to $2,392.4 million against a total approved budget of $2,606.5 million, exclusive of budgeted voluntary contributions in kind, as summarized in the table below.

Financial resource performance

(Millions of United States dollars. Budget year is from 1 July 2002 to 30 June 2003.)

			Variance	
Category	*Apportionment*	*Expenditure*	*Amount*	*Percentage*
Missions	2 491.3	2 280.8	210.5	8.4
United Nations Logistics Base at Brindisi	14.3	14.4	(0.1)	(0.7)
Support account for peacekeeping operation	100.9	97.1	3.8	3.7
Total resources	**2 606.5**	**2 392.4**	**214.1**	**8.2**

For the period from 1 July 2004 to 30 June 2005, a total budget amounting to $2,682.1 million is proposed, compared with an approved level of $2,818.7 million for the period from 1 July 2003 to 30 June 2004, summarized as follows:

Financial resources

(Millions of United States dollars. Budget year is from 1 July to 30 June.)

			Variance	
Category of expenditure	*1 July 2003 to 30 June 2004 (apportionment)*	*1 July 2004 to 30 June 2005 (cost estimates)*	*Amount*	*Percentage*
Missions	2 684.4	2 531.2	(153.2)	(5.7)
United Nations Logistics Base at Brindisi	22.2	28.8	6.6	29.7
Support account for peacekeeping operation	112.1	122.1	10	8.9
Total resource requirements	**2 818.7**	**2 682.1**	**(136.6)**	**(4.8)**

Abbreviations

MINUCI	United Nations Mission in Côte d'Ivoire
MINURSO	United Nations Mission for the Referendum in Western Sahara
MONUC	United Nations Organization Mission in the Democratic Republic of the Congo
UNAMSIL	United Nations Mission in Sierra Leone
UNDOF	United Nations Disengagement Observer Force
UNFICYP	United Nations Peacekeeping Force in Cyprus
UNIFIL	United Nations Interim Force in Lebanon
UNIKOM	United Nations Iraq-Kuwait Observation Mission
UNLB	United Nations Logistics Base at Brindisi
UNMEE	United Nations Mission in Ethiopia and Eritrea
UNMIBH	United Nations Mission in Bosnia and Herzegovina
UNMIK	United Nations Interim Administration Mission in Kosovo
UNMIL	United Nations Mission in Liberia
UNMISET	United Nations Mission of Support in East Timor
UNMOP	United Nations Mission of Observers in Prevlaka
UNOMIG	United Nations Observer Mission in Georgia
UNTAET	United Nations Transitional Administration in East Timor

I. Overview

1. Table 1 below provides an overview of trends in peacekeeping operations for the financial periods covering 1 July 2000 to 30 June 2005.

Table 1
Scope of peacekeeping operations

Number/amount	*2000/01*	*2001/02*	*2002/03*	*2003/04*	*2004/05*[a]
Ongoing missions[b]	15	13	11	12	12
Missions closed	3	—	2	—	—
Countries contributing troops, military observers, civilian police	89	87	88	94	96
Deployed troops[c]	29 190	38 100	34 901	42 450	46 478
Military observers[c]	1 510	1 826	1 929	1 872	2 022
Civilian police[c,d]	7 800	7 957	6 181	4 715	4 250
Civilian staff in missions[b,c]	15 700	16 600	11 165	12 043	10 652
Civilian staff at Headquarters[e]	562	687	702	743	762
Peacekeeping budget level[f] (billions of United States dollars)	2.6	2.7	2.6	2.8	2.7

[a] Based on current mandates of ongoing missions.
[b] Includes UNLB.
[c] For deployed troops, military observers and civilian police, the data represent the peak number from 2000/01 to 2002/03, the number currently deployed for 2003/04 and the projected number for 2004/05. For civilian staff in missions, the data represent the peak number from 2000/01 to 2002/03, the authorized number for 2003/04 and the proposed number for 2004/05.
[d] Comprises civilian police observers and formed police units.
[e] Represents approved number for the periods 2000/01 to 2003/04 and proposed number for 2004/05. Beginning from the period 2003/04, includes posts for resident auditors, which had been previously budgeted under individual peacekeeping operations.
[f] Includes UNLB and the support account.

2. Various operational aspects of implementing peacekeeping missions require global approaches that are driven by United Nations Headquarters. Such approaches address current operational needs in areas such as air operations, inventory management, mission procurement, the management of contingent-owned equipment, banking arrangements and information technology and aim at long-term efficiency and effectiveness in the management of peacekeeping as a whole. The costs of implementing these approaches are reflected in the budgets of the missions, Headquarters and UNLB. The present report outlines these approaches and their related financial implications.

3. The ability of Member States to make fully informed decisions is key to their continued support for peacekeeping operations. Areas of particular interest to Member States include policies and procedures related to contingent-owned equipment and self-sustainment and the status of reimbursement of Member States for military contingents and formed police units. The present report provides updated information on those issues.

4. For the financial period 2004/05, further improvements have been introduced in the process of formulating and presenting mission budgets, including more involvement of substantive senior mission staff, a component structure that is more clearly aligned with the corresponding Security Council resolutions and reports of the Secretary-General, more measurable results-based-budgeting frameworks and improved linkages between the frameworks and the resource requirements. These improvements are made in response to recommendations of the Advisory Committee on Administrative and Budgetary Questions and the General Assembly in its resolution 57/290 B of 18 June 2003.

II. Budget performance for the period from 1 July 2002 to 30 June 2003

5. The budgets for the period 2002/03 did not include standard results-based-budgeting frameworks, which would have been the baseline against which performance could be measured and reported. Therefore, the missions' performance for 2002/03 is presented in a transitional format showing the actual indicators of achievement and actual outputs for the period.

6. The performance report for the support account for the period 2002/03 presents actual indicators of achievement and actual outputs against the baseline frameworks provided in the original budget.

7. Given the absence of a baseline of planned results in the original budget estimates for 2002/03, the corresponding performance reports are likewise presented in a transitional format showing the actual indicators of achievement and actual outputs for which information was available. For each mission, the expected accomplishments in the performance period 2002/03 have been largely aligned with those in the budget period 2004/05, as those results-based-budgeting elements cover the entire time frame of the mission, subject to any changes in the mandate. The actual indicators of achievement show a measurement of progress towards such expected accomplishments during the performance period.

8. Examples of actual indicators of achievement realized during the performance period are illustrated in table 2.

Table 2
Examples of actual indicators of achievement realized for the performance period 2002/03

Peacekeeping component	*Actual indicators of achievement*
MINURSO	• No hostilities between the parties
	• No serious violations of the ceasefire and related agreements
	• Operational efficiencies achieved in information technology, air and ground transport operations and communications

Peacekeeping component	*Actual indicators of achievement*
MONUC	• Transitional constitution promulgated on 4 April 2003
	• Acceptance by the Government of human rights and child protection issues
	• Voluntary entrance of 2,500 ex-combatants into the disarmament, demobilization, repatriation, resettlement and reintegration programme
	• Increased delegation of authority in procurement, national staff recruitment and disbursement of payments implemented in six sectors
UNAMSIL	• Ninety-five per cent of camps for internally displaced persons in the country closed in 2002/03 as compared to 75 per cent in 2001/02; over 90 per cent of the people returned to their areas of origin in 2002/03 as compared to 80 per cent in 2001/02
	• All areas in the country except one declared safe by the Government for resettlement
	• Sierra Leone Police Force deployed in 17 police divisions of Sierra Leone and took over responsibilities in 17 divisions in all districts of Sierra Leone
UNDOF	• Violation limited to one serious violation and 367 minor violations
	• Direct electronic mail and Internet service and improved telephone access benefiting 147 military personnel established in 6 out of 19 positions
	• First stages of construction and renovation completed, which enhanced living and working conditions of 96 troops (12.6 per cent of total)
UNFICYP	• Number of bi-communal events increased from approximately 40 meetings and 14,000 participants in 2001/02 to 95 meetings and 33,000 participants in 2002/03
	• Average number of persons from both sides using the crossing points increased from less than 100 a day in 2001/02 to an average of 11,150 a day since 23 April 2003
	• Increased number of farming, access and job permits issued by the Force from 561 in 2001/02 to 686 in 2002/03
	• Increase in the detection of cases of illegal access to the United Nations buffer zone from 201 in 2001/02 to 371 in 2002/03

Peacekeeping component	*Actual indicators of achievement*
UNIFIL	• Serious Blue Line violations reduced from 5 in 2001/02 to 2 in 2002/03
	• Forty-seven per cent increase in the presence of Lebanese security personnel in southern Lebanon, from 805 in 2001/02 to 1,185 in 2002/03
	• Percentage of total inventory value awaiting write-off and disposal reduced from 22 per cent as at 30 June 2002 to 11 per cent as at 30 June 2003
	• Reduction in the procurement cycle (between the date of placing a requisition and the receipt of goods and services) from 94 days in 2001/02 to 72 days in 2002/03
UNIKOM	• No air safety violations
	• Civilian staff vacancy rate further reduced from 4.6 per cent by June 2002 to 2.6 per cent by June 2003
	• Vehicle accidents reduced from 122 minor and 16 major accidents in 2002 as compared to 28 minor and 7 major accidents in 2003
UNMEE	• Participation of high-level political officials of both parties in regular meetings/consultations with the head of Mission
	• No serious violations inside the Temporary Security Zone and its adjacent area in 2002/03 as compared with 2001/02
	• Vacancy rate for international staff reduced from 14 to 12 per cent and for national staff from 7 to 2 per cent during the reporting period
UNMIBH	• 15,786 local police officers met international standards of personal integrity and professional competence
	• All police administrations achieved the requisite standards for UNMIBH accreditation
	• Number of illegal immigrants reduced from 25,000 in 2000 to approximately 200 during the second half of 2002
	• Tasks related to the Mission's liquidation identified and fully undertaken according to the plan by 30 June 2003
UNMIK	• In transferred competencies, increasingly effective delivery of public services to all ethnic communities by the provisional institutions of self-government and municipalities, as evidenced by compliance with financial rules and rules and procedures for human resources management and administration
	• Overall number of minority returnees to Kosovo exceed the total number of minorities leaving Kosovo
	• Decrease in incidents of serious crime as evidenced by a reduction in the murder rate by 29.7 per cent from 101 to 71
	• Reduction in the rate of traffic accidents involving UNMIK personnel

Peacekeeping component	*Actual indicators of achievement*
UNMISET	• On becoming an independent State, the Government of Timor-Leste formally established the instruments of government, including the appointment of ministers of state, department heads and senior administrative management staff in 18 ministries
	• National police of Timor-Leste assumed responsibility for policing in 11 out of 13 districts
	• There were no serious violations of the territory of Timor-Leste from external threats.
	• A reorganization of air support operations allowed the release of an MI-26 helicopter eight months early, resulting in savings in rental costs
UNOMIG	• Parties participated in working groups of the Coordinating Council and two corresponding protocols were signed (on security, 20 July 2002, and on socio-economic matters, 14 November 2002)
	• Parties agreed to the conduct of a security assessment mission to the Gali district, which took place from October to December 2002
	• No heavy weapons or troops were reintroduced in the security or restricted weapons zones
	• The availability rate of heavy patrol vehicles increased from 81 per cent in the financial year 2001/02 to 90 per cent in the financial year 2002/03
UNLB	• Damaged sea shipments were reduced from 0.1 per cent of total dispatched/outgoing shipments in 2001/02 to zero per cent in 2002/03 and damaged air shipments were reduced from 0.07 per cent in 2001/02 to 0.01 per cent in 2002/03
	• Network (satellite and terrestrial connections), including such services as telephone calls, e-mail messages, Internet, Lotus Notes, databases and mail action records system facsimile data, was operational 99.5 per cent of the time

Peacekeeping component	*Actual indicators of achievement*
Support account	• Seven mission-planning processes in line with Security Council substantive and time requirements (MINUCI, MONUC (twice), UNAMSIL, UNMIBH and UNMISET (twice)) and one integrated concept of operations were developed for the establishment of MINUCI • The average time from the start of negotiations on memorandums of understanding to their signature by troop-contributing countries was reduced from 198 days in 1999 to 102 days in 2002 • Strategic deployment stock assets were used to fulfil requirements for MINUCI • Seventy-five per cent of submission deadlines were met: (a) active missions: achieved (22 reports submitted by 19 December 2002); (b) inactive missions: 1 report submitted on 18 December 2002 and 9 reports submitted by 16 April 2003; and (c) support account and UNLB: achieved (2 reports on support account submitted by 10 February 2003 and 2 reports on UNLB submitted by 18 December 2002)

9. For the period 2002/03, expenditure amounted to $2.4 billion, inclusive of UNLB and the support account, compared to approved budgets of $2.6 billion, as set out in table 3.

Table 3
Financial resource performance for the period 2002/03
(Thousands of United States dollars. Budget year is from 1 July to 30 June.)

Peacekeeping component	*Apportionment*[a]	*Expenditure*[a]	*Variance*	
			Amount	*Percentage*
MINURSO	41 529.5	38 409.0	3 120.5	7.5
MONUC	581 933.5	479 952.0	101 981.5	17.5
UNAMSIL	669 476.4	603 085.5	66 390.9	9.9
UNDOF[b]	38 991.8	38 975.7	16.1	—
UNFICYP[b]	43 652.7	43 644.1	8.6	—
UNIFIL	112 042.5	107 596.9	4 445.6	4.0
UNIKOM	50 573.2	42 478.8	8 094.4	16.0
UNMEE	220 830.2	209 619.1	11 211.1	5.1
UNMIBH	78 543.9	70 307.1	8 236.8	10.5
UNMIK[b]	330 000.0	329 967.8	32.2	—
UNMISET	292 000.0	287 941.1	4 058.9	1.4
UNOMIG	31 705.8	28 821.7	2 884.1	9.1
Subtotal, missions	**2 491 279.5**	**2 280 798.8**	**210 480.7**	**8.4**
UNLB	14 293.2	14 447.5	(154.3)	(1.1)
Support account	100 896.2	97 145.4	3 750.8	3.7
Total resources	**2 606 468.9**	**2 392 391.7**	**214 077.2**	**8.2**

[a] Exclusive of budgeted voluntary contributions in kind.
[b] Percentage of variance is less than 0.1 per cent.

10. The overall budget implementation rate of 92 per cent is the same as that of the prior financial period. Among the individual missions (MINURSO, UNAMSIL, UNFICYP, UNMEE and UNMIK), budget implementation rates have improved. The significant factors determining the overall savings of 8 per cent were developments in UNIKOM, MONUC and UNMIBH.

11. In MONUC, the salient factors that affected its budget performance for the 2002/03 period were the delay in the deployment of troops, the slower pace of implementation of the disarmament, demobilization, repatriation, resettlement and reintegration programme and the outbreak of hostilities in Ituri in the eastern part of the Democratic Republic of the Congo, the last of which resulted in the reconfiguration of the Mission and the subsequent revision of its mandate, as approved by the Security Council in its resolution 1493 (2003) of 28 July 2003. UNAMSIL commenced its downsizing and as a result, the budget performance reflected savings from the phased withdrawal of military and civilian personnel and related reductions in operational costs. Owing to external factors, the operation of UNIKOM was suspended on 17 March 2003. During the performance period, the mandate of UNMOP, for which resources are included with UNMIBH, was terminated on 15 December 2002. The main factors affecting budget performance in the missions are set out in table 4.

Table 4
Main factors affecting budget performance

Peacekeeping component	*Main factors affecting budget performance*
MINURSO	A budget implementation rate of 92 per cent (2001/02: 80 per cent) resulted from: • A higher vacancy rate for military observers • Lower actual grades of international and national staff than the levels authorized • Offset of savings by unbudgeted replacement of accommodation facilities that had been in use since the inception of the mission in 1991 owing to the uncertainty of the duration of the mission
MONUC	A budget implementation rate of 83 per cent (2001/02: 86 per cent) resulted from: • A reduction in authorized strength and a slower pace of deployment of military observers • Delays in the deployment of military contingent personnel • Delays in the deployment of international staff, closure of the Office of the Neutral Facilitator and downsizing of the Civil Affairs Division • Delays in the renovation of airfield infrastructure, reduced acquisition of prefabricated facilities and the transfer, in lieu of purchase, of generators • Delay in the deployment of commercial aircraft and military helicopters
UNAMSIL	A budget implementation rate of 90 per cent (2001/02: 89 per cent) resulted from: • Downsizing, which commenced during the period owing to the change in mandate • A slower pace of deployment of international staff and United Nations Volunteers following the drawdown of military contingents • Lower actual grades of national staff than the budgeted level • Reduced costs for ground and air transportation as a result of the downsizing of the Mission
UNDOF	The budget was fully implemented with marginal deviations from the original approved budget

Peacekeeping component	*Main factors affecting budget performance*
UNFICYP	The budget was fully implemented (2001/02: 98 per cent). The main variances resulted from: • Lower travel costs for the rotation of military personnel • Increase in post adjustment for international staff and revised salary scale for national staff effective 1 February 2002
UNIFIL	A budget implementation rate of 96 per cent (equal to 2001/02) resulted from: • Delayed deployment of military personnel • Reduced travel costs for the rotation of military personnel • Lower costs for the relocation of international civilian staff from Israel to Lebanon • Reduced costs for facilities and infrastructure owing to the repair, rather than replacement, of large generators • Reduced costs for other supplies and services owing to lower compensation levels for third-party claims
UNIKOM	A budget implementation rate of 84 per cent (2001/02: 95 per cent) resulted from suspension of the Mission's operation on 17 March 2003 owing to political and military developments in the region
UNMEE	A budget implementation rate of 95 per cent (2001/02: 93 per cent) resulted from: • Lower travel costs for the rotation of military personnel • Recruitment of staff at grades lower than the authorized levels • Reduced air transportation costs owing to lower casualty/medical evacuations and discontinuance of the use of one P-166 aircraft • Lower medical costs owing to the use of mission aircraft, instead of air ambulance services for medical/casualty evacuation trips

Peacekeeping component	*Main factors affecting budget performance*
UNMIBH	A budget implementation rate of 90 per cent (2001/02: 93 per cent) resulted from: • Termination of the mandate of UNMOP on 15 December 2002 • Non-replacement of civilian police personnel due for repatriation after 1 July 2002 • Accelerated repatriation of civilian police following the elections on 5 October 2002 • Lower costs for refurbishment of transport, communication and other equipment due to direct transfer of equipment to other missions rather than to UNLB
UNMIK	The budget was fully implemented (2001/02: 90 per cent). The main variances resulted from: • Reduced requirements for death and disability compensation for civilian police personnel • Higher costs for international staff due to revised post adjustment rates effective 1 November 2002, revised salary scales for Professional and Field Service staff effective 1 January 2003 and separation costs related to the downsizing of the Mission • Lower costs for national staff as grades of staff were lower than the budgeted level
UNMISET	A budget implementation rate of 99 per cent (2001/02: 100 per cent) resulted from: • More rapid pace of the phased withdrawal of civilian police • Reduced air transport costs owing to the early termination of the lease of one MI-26 helicopter
UNOMIG	A budget implementation rate of 91 per cent (2001/02: 94 per cent) resulted from: • Reduced air transportation costs due to the non-deployment of a tactical helicopter • Lower ground transportation costs due to use of surplus stock of spare parts from closing missions
UNLB	The budget was fully implemented (equal to 2001/02). The main variances resulted from: • Higher international staff costs due to the increase in post adjustment from 4.4 per cent in July 2002 to 22.5 per cent in June 2003 • Appreciation in the value of the euro against the United States dollar

Peacekeeping component	*Main factors affecting budget performance*
Support account	A budget implementation rate of 96 per cent (2001/02: 94 per cent) resulted from: • An actual vacancy rate higher than the budgeted rate for both Professional and General Service staff • Reduced requirements for consultancies due to a management decision to use in-house resources • Reduced requirements for official travel due to the security situation in the Middle East • Reduced requirements for information technology as a result of the sharing of information technology facilities between the Department of Peacekeeping Operations and the Information Technology Services Division of the Office of Central Support Services

12. Information on planned and actual vacancy rates for civilian staff in peacekeeping operations for the performance period is shown in table 5.

Table 5
Planned and actual vacancy rates for the period 2002/03

Peacekeeping component	*Category of staff*	*Vacancy rate (percentage)*	
		Planned	*Actual*
MINURSO	International[a]	—	8.7
	National	—	0.9
MONUC	International	15.0	21.8
	National	10.0	14.8
UNAMSIL	International	10.0	20.1
	National	10.0	9.0
UNDOF	International	5.0	7.3
	National	—	3.7
UNFICYP	International	4.0	4.4
	National	—	1.0
UNIFIL	International	5.0	13.0
	National	—	3.0
UNIKOM	International	5.0	9.0
	National	5.0	2.1
UNMEE	International	10.0	11.7
	National	10.0	2.0
UNMIBH	International	—	14.5
	National	—	11.4
UNMIK	International	10.0	12.2
	National	8.0	4.8
UNMISET	International	5.0	13.8
	National	5.0	5.4
UNOMIG	International	10.0	15.0
	National	5.0	1.0
UNLB	International	15.0	19.7
	National	5.0	6.8
Support account	Professional	8.0	11.0
	General Service	2.5	3.7

[a] Based on the provision for 184 posts only.

III. Proposed budget for the period from 1 July 2004 to 30 June 2005

A. Results-based budgeting

13. The results-based-budgeting exercise with respect to the performance reports for the period 2002/03 and the proposed budgets for the period 2004/05 was carried out with an increased level of involvement of the substantive offices in the missions compared with the previous year. More than 75 participants who attended two regional results-based-budgeting workshops (Cyprus, July 2003) included, for the first time, senior staff of the Office of the Special Representative of the Secretary-General and the Political Affairs Offices of all missions.

14. The 2004/05 budget proposals for peacekeeping missions contain more measurable results-based-budgeting elements compared with the previous period. In 2004/05, 84 per cent of the outputs were clearly measurable, compared with 51 per cent in the period 2003/04. Accordingly, the outputs in the 2004/05 results-based-budgeting frameworks reflect the missions' contributions to the expected accomplishments more precisely. The budget proposals also contain a total of 42 planned support services improvement indicators and corresponding outputs or measures that are to be taken to bring such improvements about.

15. The budget estimates for the period 2004/05 also reflect an attempt to improve the linkages between the results-based-budgeting frameworks and the resource requirements. The human resources of each mission, in terms of number of personnel, have been attributed to the individual components, with the exception of the mission's executive direction and management, which can be attributed to the mission's components as a whole. The financial resources for operational costs have been linked to the support component for each mission through the presentation of measurable outputs for operational classes under the same component. The explanations of variances in resource levels, for both human and financial resources, have been linked, where applicable, to specific outputs planned by the missions.

16. The support account budget proposal for 2004/05 reflects a significantly higher percentage of more clearly measurable indicators of achievement and outputs: a combined average of 70 per cent compared to 51 per cent for the period 2003/04. The Advisory Committee on Administrative and Budgetary Questions called for a more apparent link between resources, expected accomplishments and outputs. In response to the Committee's request, output reference information is shown in all budget proposals for consultant and official travel under each office.

17. The peacekeeping missions have prepared detailed data-collection plans for all indicators of achievement and outputs for their 2003/04 and 2004/05 results-based-budgeting frameworks. To further improve data collection and its use by management, the Department of Management and the Department of Peacekeeping Operations, in coordination with peacekeeping missions, are developing an electronic tool to improve the accuracy of results and to facilitate the monitoring of results-based-budgeting frameworks by managers during the financial period. This tool is to be launched in the first half of 2005.

18. Planned progress towards the expected accomplishments during the budget period 2004/05 from the frameworks of the missions is highlighted in table 6.

Table 6
Planned indicators of achievement for the 2004/05 period

Peacekeeping component	*Planned indicators of achievement*
MINURSO	• Acceptance by the parties of the proposal of the Secretary-General to achieve a political solution to the conflict in Western Sahara that provides for self-determination
	• No serious violations of ceasefire and military agreement 1
	• Recruitment time for replacement of international staff reduced from 4 months to 1 month and for national staff from 2 months to 3 weeks
	• Lead time between approval of requisitions and delivery of recurring and fast-moving goods reduced by 2 weeks
MONUC	• Repatriation of all remaining foreign combatants who volunteer
	• Reunification of governmental and administrative institutions
	• Implementation of national electoral law, electoral commission operational and preparations for elections in line with electoral time line
	• Reduction in lead time between approval of requisitions and issuance of contracts from 120 days to a maximum of 90 days for 90 per cent of procurement cases
UNAMSIL	• Presence of 14 elected and functioning local government councils
	• Legislation on the establishment of Human Rights Commission passed by Parliament
	• No internal security incidents requiring military intervention
	• Increase in number of Sierra Leone police from 8,000 in 2003/04 to 9,500 in 2004/05 through recruitment
UNDOF	• Separation of forces and areas of limitation maintained
	• Improved living conditions of the remaining 26 per cent of troops due to upgraded accommodation infrastructure upon completion of the modernization programme
	• E-mail, Internet and improved telephone facilities established in all 19 military positions (442 military personnel), an increase from 12 positions in 2003/04 (308 military personnel)
	• Percentage of total inventory value written off and awaiting disposal will be reduced from 7 per cent as at 30 June 2003 to 2 per cent as at 30 June 2005

Peacekeeping component	*Planned indicators of achievement*
UNFICYP	• One hundred per cent increase in bi-communal events, from 95 in 2002/03 to 190 in 2004/05
	• Twenty per cent of mines and unexploded ordnance cleared in the United Nations buffer zone
	• Five per cent reduction of ceasefire violations from 1,863 in 2002/03 to 1,765 in 2004/05
	• Increased cooperation of the police and law enforcement agencies in inter-communal cases
UNIFIL	• Ceasefire is maintained
	• Increased presence of Lebanese authorities in southern Lebanon
	• Percentage of total inventory value awaiting write-off and disposal will be reduced from 11 per cent as at 30 June 2003 to 2 per cent as at 30 June 2005
	• Reduction in the procurement cycle from 72 days in 2002/03 to 65 days in 2004/05
UNMEE	• High-level political officials of both parties participated in regular meetings/consultations with the head of Mission
	• No serious violations of the Agreement on Cessation of Hostilities
	• Reduction in the number of mine accidents from 118 in 2002/03 to 70 to 80 in 2004/05 among the local population
	• Maintained procurement lead time from approval of requisitions to delivery of goods and services at 90 days

Peacekeeping component	*Planned indicators of achievement*
UNMIK	• Reduction in the violations of the constitutional frameworks by the provisional institutions of self-government, including the Assembly, as evidenced by the number of remedial interventions under the authority of the Special Representative of the Secretary-General, from 10 violations at the central level and 6 at the municipal level in 2002/03 (based on monitoring reports of the Assembly sessions, conduct of legislative activities and the interventions of the Special Representative of the Secretary-General on the recommendation of the municipal representatives)
	• Expanded role of Kosovo authorities and civil society in supporting the returns process as measured in detail through the use of the quarterly municipal assessments
	• Increase by 80 per cent of cases of murders and serious assaults of minorities being tried by local prosecutors and judges, which were previously handled by international judges and prosecutors
	• Outsourcing of six management and maintenance services to local contractors, including grounds and building management, transport fleet maintenance and repair, generator/heating plant repair and maintenance services, accommodation services, document reproduction services and car-washing facility
UNMISET	• Completion of the disposal of United Nations assets, with an inventory value of over $50.9 million, by 31 December 2004
	• Staff drawdown completed by 31 December 2004
	• Completion of financial transactions and closure of field bank accounts by 31 December 2004
	• Acceptance by the Government of Timor-Leste by 31 December 2004 of all real estate formerly occupied by the Mission
UNOMIG	• Three signed agreements between the parties related to security guarantees, the return of internally displaced persons and refugees and economic projects
	• Fifty per cent reduction of violations of the ceasefire agreement (as compared to four violations in 2002/03)
	• Ten new hirings of local staff of Georgian origin into the law enforcement agencies in the Gali district (including in higher command echelons); as at December 2003, the number of local staff of Georgian origin was 4
	• The percentage of total vehicle availability as at 30 June 2005 increased to 98 per cent compared to 90 per cent in 2002/03

Peacekeeping component	*Planned indicators of achievement*
UNLB	• One hundred per cent availability of stocks for one complex mission
	• Shipment processing time from headquarters material release order to dispatch reduced from 60 days in 2003/04 to 30 days in 2004/05; target 20 days by 2005/06
	• Trans-shipment stocks minimized to holding period of 90 days
	• Availability of worldwide communication and information technology network for peacekeeping operations increased from 99.5 per cent in 2003/04 to 99.6 per cent in 2004/05; target 99.7 per cent in 2005/06
Support account	• Number of Member States contributing to the stand-by arrangements increased from 78 as at 1 November 2003 to 90
	• Number of emerging contributing countries delivering training recognized by the Department of Peacekeeping Operations increased from zero in 2002/03 to three in 2004/05.
	• Successful deployment of a fully functional mission of up to 5,000 persons within 90 days of a Security Council mandate
	• Authorized payments to troop-contributing countries processed by quarterly due dates
	• One hundred per cent of mission medical evacuation requests and urgent deployment requests for medical clearances processed on the day received
	• Purchase orders against existing contracts issued within 14 days of receipt of funded requisitions to replenish goods and necessary follow-up carried out with vendors to ensure timely delivery of correct equipment and services in support of strategic deployment stocks.

B. Financial resources

19. The total proposed resources for peacekeeping operations for the financial period from 1 July 2004 to 30 June 2005, inclusive of UNLB and the support account, amount to $2.7 billion, compared with the total approved budget of $2.8 billion for the period from 1 July 2003 to 30 June 2004. This represents a decrease of 5 per cent. The proposed budgets for 2004/05 represent reductions in resource requirements for UNAMSIL, UNMIK and UNMISET, which reflect the progressive downsizing of those missions as well as the projected liquidation of UNAMSIL by March 2005 and UNMISET by December 2004. All other peacekeeping missions reflect an increase in resource requirements, particularly UNMIL, for which estimates are currently projected, pending the finalization of its detailed budget for the 2004/05 period by March 2005.

20. For UNMIL, the estimates for the period 2004/05 will reflect the full deployment of military and police personnel and the related civilian support as well as the completion of procurement of equipment deferred from the initial period of

establishment of the Mission. The additional resources for MONUC are based on the full deployment of the Mission. Proposed requirements for the period 2004/05 are presented in table 7.

Table 7
Proposed requirements for the period 2004/05
(Thousands of United States dollars. Budget year is from 1 July to 30 June.)

Peacekeeping component	*Expenditure (2002/03)*	*Apportionment (2003/04)*	*Proposed budget (2004/05)*[a]	*Variance*	
				Amount	*Percentage*
MINURSO	38 409.0	41 529.5	41 990.0	460.5	1.1
MONUC	479 952.0	641 038.3	718 305.6	77 267.3	12.1
UNAMSIL	603 085.5	520 053.6	199 799.8	(320 253.8)	(61.6)
UNDOF	38 975.7	40 009.2	40 902.1	892.9	2.2
UNFICYP	43 644.1	43 798.8	47 448.7	3 649.9	8.3
UNIFIL	107 596.9	90 000.0	94 741.2	4 741.2	5.3
UNMEE	209 619.1	188 400.0	201 460.8	13 060.8	6.9
UNMIK	329 967.8	315 518.2	272 210.8	(43 307.4)	(13.7)
UNMIL[b]	—	564 494.3	872 609.5	308 115.2	54.6
UNMISET	287 941.1	208 827.5	9 385.6	(199 441.9)	(95.5)
UNOMIG	28 821.7	30 709.0	32 351.0	1 642.0	5.3
Subtotal, missions	**2 168 012.9**	**2 684 378.4**	**2 531 205.1**	**(153 173.3)**	**(5.7)**
UNLB	14 447.5	22 208.1	28 797.3	6 589.2	29.7
Support account	97 145.4	112 075.8	122 068.6	9 992.8	8.9
Total	**2 279 605.8**	**2 818 662.3**	**2 682 071.0**	**(136 591.3)**	**(4.8)**

[a] Exclusive of budgeted voluntary contributions in kind.
[b] For the 2004/05 period, data relate to projected requirements pending the finalization of the budget.

21. The breakdown by category and class is presented in table 8.

Table 8
Requirements by category and class for the period 2004/05
(Thousands of United States dollars. Budget year is from 1 July to 30 June.)

Category and class	*Missions*	*UNLB*	*Support account*	*Total*	*Percentage share to total*
1. Military and police personnel	1 156 941.2	—	—	1 156 941.2	43.1
2. Civilian personnel	556 635.8	11 008.7	100 772.4	668 416.9	24.9
3. Operational costs					
General temporary assistance	352.6	59.0	1 072.7	1 484.3	0.1
Government-provided personnel[a]	119.7	—	—	119.7	—
Civilian electoral observers	—	—	—	—	—
Consultants	35.2	242.0	1 746.3	2 023.5	0.1
Official travel	11 446.0	302.6	4 522.4	16 271.0	0.6
Facilities and infrastructure	228 215.4	6 048.0	6 622.6	240 886.0	9.0
Ground transportation	65 365.1	1 867.5	—	67 232.6	2.5
Air transportation	344 407.6	—	—	344 407.6	12.8
Naval transportation	3 772.6	—	—	3 772.6	0.1
Communications	72 279.9	4 658.3	899.9	77 838.1	2.9
Information technology	21 037.2	3 559.6	5 255.6	29 852.4	1.1
Medical	21 711.8	200.0	—	21 911.8	0.8
Special equipment	15 541.6	—	—	15 541.6	0.6
Other supplies, services and equipment	32 225.4	851.6	1 176.7	34 253.7	1.3
Quick-impact projects[a]	1 118.0	—	—	1 118.0	—
Gross requirements	**2 531 205.1**	**28 797.3**	**122 068.6**	**2 682 071.0**	**100.0**

[a] Percentage share of the total is less than 0.1 per cent.

22. The main factors affecting the changes in resource requirements are outlined in table 9.

Table 9
Main factors for variance in resource requirements

Peacekeeping component	*Main factors*
MINURSO	Increase of $0.5 million (1.1 per cent): • Higher air transport costs related to the change in the type of helicopter from MI8 to MI8-MTV • Increased communications costs related to the replacement of obsolete and worn/damaged equipment and the expansion of the wide-area network to include the sector headquarters in Dakhla and Smara
MONUC	Increase of $77.3 million (12.1 per cent): • Full deployment of 10,800 military personnel and 182 civilian police • Deployment of an additional 160 international and national civilian staff • Full deployment of 51 aircraft
UNAMSIL	Decrease of $320.3 million (61.6 per cent): downsizing of the Mission and the complete repatriation of military and civilian police personnel by 31 December 2004
UNDOF	Increase of $0.9 million (2.2 per cent): • Increase in standard salary costs, proposal for a new international post and proposed upgrading of the post of the Chief Administrative Officer from the P-5 to the D-1 level • Conversion of 14 casual labourers to national posts
UNFICYP	Increase of $3.6 million (8.3 per cent): • Increase in authorized strength of civilian police from 35 to 69 • Proposal for new four international posts, five national posts and the upgrading of the post of the Chief Administrative Officer from the P-5 to the D-1 level • Additional requirements owing to increased cost of utilities and maintenance services
UNIFIL	Increase of $4.7 million (5.3 per cent): • Increase in standard salary costs for international civilian staff • Increase in national staff costs related to the conversion of 45 contractual staff to national posts

Peacekeeping component	*Main factors*
UNMEE	Increase of $13.1 million (6.9 per cent):
	• Conversion of 98 international staff from appointments of limited duration (300 series) to regular staff (100 series)
	• Greater requirements for ground transportation owing to the replacement of 79 vehicles
	• Greater requirements for facilities and infrastructure based on current fuel costs and increased reliance on generators
UNMIK	Decrease of $43.3 million (13.7 per cent):
	• Downsizing of the Mission and the phased repatriation of civilian police and formed police units
	• Phased reduction of international and national staff
	• Lower operational costs related to the downsizing of the Mission
UNMIL[a]	Increase of $308.1 million (54.6 per cent):
	• Progressive deployment of military observers and contingent personnel to their authorized levels
	• Phased deployment of civilian police and formed police units to their authorized strength
	• Phased deployment of civilian staff to the strength approved for the 2003/04 period
	• Deployment of additional international staff and United Nations Volunteers for the establishment of the Electoral Unit of the Mission
UNMISET	Decrease of $199.4 million (95.5 per cent):
	• Downsizing of the Mission and the complete repatriation of military contingent, civilian police and formed police units by 1 July 2004
	• Progressive downsizing of international and national staff
	• Repatriation of all mission aircraft by 1 July 2004
UNOMIG	Increase of $1.6 million (5.3 per cent):
	• Newly authorized strength of 18 civilian police personnel
	• Proposal for three new international posts in support of the civilian police component and one new post for human rights
	• Conversion of 20 individual contractors to national posts

Peacekeeping component	*Main factors*
UNLB	Increase of $6.6 million (29.7 per cent): • Increase in civilian personnel costs owing to higher standard salary costs for international staff and the appreciation in the value of the euro against the United States dollar for national staff • Increase in operational costs for the replacement of prefabricated buildings
Support account	Increase of $10.0 million (8.9 per cent): increase in standard salary costs

[a] Projected requirements, pending the finalization of the detailed budget.

C. Human resources

23. A total of 10,652 posts are proposed for international and national staff in peacekeeping missions for the period 2004/05, compared with 12,043 approved for the period 2003/04, exclusive of UNLB and the support account. This net decrease of 1,391 posts is attributable primarily to the progressive downsizing of UNAMSIL, UNMIK and UNMISET. A total of 151 posts are proposed for UNLB and 762 posts are proposed for the support account, which represents a total of 11,565 posts for all peacekeeping components compared with 12,922 posts for the period 2003/04. The distribution of posts is set out in table 10.

Table 10
International and national staffing

Peacekeeping component	*Approved 2003/04*[a]	*Proposed 2004/05*	*Variance*	
			Number	*Percentage*
MINURSO	413	413	—	—
MONUC	2 237	2 326	89	4.0
UNAMSIL	986	892	(94)	(9.5)
UNDOF	132	147	15	11.4
UNFICYP	150	158	8	5.3
UNIFIL	429	472	43	10.0
UNMEE	529	529	—	—
UNMIK	4 179	3 740	(439)	(10.5)
UNMIL[b]	1 375	1 399	24	1.7
UNMISET	1 327	253	(1 074)	(80.9)
UNOMIG	286	323	37	12.9
Subtotal, missions	**12 043**	**10 652**	**(1 391)**	**(11.6)**
UNLB	136	151	15	11.0
Support account	743	762	19	2.6
Total	**12 922**	**11 565**	**(1 357)**	**(10.5)**

[a] Represents highest level of authorized strength.
[b] Provisional, pending the finalization of the detailed budget.

D. Air operations

24. A revised technical and operational evaluation criteria form was designed by the Aviation Quality Assurance Unit of the Air Transport Section of the Department of Peacekeeping Operations and posted on the web site of the Procurement Division (http://www.un.org/Depts/ptd/pdf/tech.pdf). The form outlines the technical requirements to be met by prospective contractors for aircraft charter services and serves as part of the pre-qualification for registration as an air operator with the United Nations.

25. Pursuant to the recommendations of the International Civil Aviation Organization, aviation standards for peacekeeping and humanitarian air transport

were jointly developed by the Department of Peacekeeping Operations and the World Food Programme. The standards will ensure safe, efficient and responsive air transport operations to the greatest degree possible and will facilitate inter-operability between the two organizations. In addition, they will increase the ability to respond to emergency and ad hoc needs and, when required, achieve cost-effectiveness in the field missions. The standards have already been used as a basis for sharing resources in the United Nations Assistance Mission in Afghanistan and the United Nations Mission in Angola.

26. In response to the request of the Advisory Committee in its report on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (A/57/772, para. 108), a new cost structure for aircraft contracts has been introduced that replaces the system of budgeting for block hours plus extra hours. The new cost basis includes: (a) a base cost, which is the contractor's cost for providing the aircraft and crew; and (b) a variable cost representing the number of hours expected to be flown. This approach will be applied to most future contracts, although for some specific contracts it may still be preferable to apply the block-hour structure, which is the normal commercial market approach.

27. Air operations in many peacekeeping missions generally involve both commercial and military tasks. Commercial tasks include the transport of passengers and cargo, observation and monitoring, command and administration, search and rescue and medical evacuations. Military tasks include deterrence (show of force), air cover, troop insertions, extractions and resupply under possibly hostile conditions, armed patrols and rapid-reaction force deployments. The military concept of operations within the context of the mission's operational concept will identify whether such tasks are required. The tasks generally require aircraft capable of being armed or of carrying armed troops ready for immediate action. As these tasks cannot be met by commercial aircraft operators, the Department of Peacekeeping Operations seeks offers of military aviation units for the provision of military aircraft under letter-of-assist arrangements. As commercial aircraft are not allowed to undertake armed operations, military aircraft are the only alternative. It should be noted that the Department has made a determination that commercial aircraft will generally be sought for all mission air operation requirements except for those clearly identified as military-type tasks. As such, financial evaluations between commercial and military aircraft are not applicable, as commercial aircraft are unable to meet the requirements. However, the Department does undertake cost comparisons with other established letters of assist and, where applicable, with commercial contracts for similar aircraft to assess whether the reimbursement sought is fair and reasonable. When, for other reasons, such as for troop rotations, the Department of Peacekeeping Operations determines that a letter of assist is preferable to meet a non-military requirement, the cost structure is based on a complete cost analysis of the offer against the costs of commercial aircraft capable of meeting the requirement.

E. Inventory management

28. For the performance period 2002/03, progress was achieved in the management of peacekeeping inventories, as follows:

(a) Inter-mission transfers of equipment have increased by 160 per cent compared with the previous financial periods;

(b) Missions completed the write-off and disposal of equipment valued at $69.3 million for the period ended 30 June 2003, compared with $30.9 million for the period ended 30 June 2002;

(c) The value of property pending write-off and disposal was reduced from $75.7 million as at 30 June 2002 to $43.1 million as at 30 June 2003;

(d) Adjustments in inventory records were reduced from 1.08 per cent in the 2001/02 period to 0.23 per cent in the 2002/03 period.

29. Revised budget procedures aimed at improving inventory management include the coordination, review and compilation of year-end inventory reports from missions supported by the Department of Peacekeeping Operations, the training of field property control officers on effective management of United Nations-owned non-expendable property, the training of the secretaries of local Property Survey Boards and the establishment of asset management policies and procedures that allow all missions to reduce inventory stock take variance to less than 1 per cent.

30. In the management of peacekeeping assets, inventory control with respect to field missions and the strategic deployment stocks is expected to improve with the development and implementation of the Galileo system, a new inventory management tool in which peacekeeping personnel have been trained. Compared with the previous tool, the field assets control system, which was based on multiple databases, the Galileo system provides for the management of all peacekeeping assets from a single database. Galileo was implemented at UNLB in August 2003, at Headquarters in September 2003 and at UNMIK in December 2003/January 2004, and the implementation in the remaining peacekeeping missions is scheduled to be completed by the end of June 2004.

31. In the management of ground transport equipment, the introduction of Saturn, a fleet management system, will provide full capability to analyse the consumption of and the procurement lead times for the entire range of spare parts. This will require the fleet management system to be closely linked to the procurement system. These features will assist in managing demand efficiently and on an informed basis, thereby precluding the overstocking of spare parts. The Department of Peacekeeping Operations is evaluating commercially available alternatives to in-house development.

F. Training

32. Peacekeeping missions ensure that only staff members who require a specific type of training or upgrading of technological skills are nominated for external training, with the goal of enhancing performance in their respective functions. Alternative methods of training can be applied only if technically and geographically feasible and if the technical infrastructure is available in the mission area. Some examples on the utilization of training resources include:

(a) In MONUC, a train-the-trainers programme has been established, and the Training Unit is monitoring the programme to ensure that staff members sent for training specifically in technical areas are placed in the programme.

Videoconferencing is not a feasible option in many locations within the mission area, owing to technological limitations;

(b) In MINURSO, videoconferencing was initiated in July 2003, which is expected to improve the training capabilities of the Mission;

(c) In UNMEE, every avenue is explored to deliver training to staff members before they are authorized to travel outside the mission area. In 2003/04, UNMEE will deliver five in-mission courses for personnel of the Communications and Information Technology Service of the Department of Peacekeeping Operations at a total cost of $72,000 for a total of 154 personnel. The same training conducted at the Logistics Base in Brindisi would cost approximately $540,000. UNMEE makes extensive use of videoconferencing technology. It recently conducted a three-way development videoconference among staff of the Department at Headquarters, the Logistics Base and the Mission;

(d) In UNFICYP, the mission has carefully reviewed its training requirements and is focusing on the train-the-trainers concept and on training within the mission area. Training programmes for the 2004/05 period are based on mission-specific needs.

33. Training resources are proposed based on a benchmark of up to 2 per cent of net salaries and common staff costs for international and national staff in large and medium-sized missions and up to 3 per cent for small missions. In the programme budget for the biennium 2004/05, training resources represent approximately 1.5 per cent of staff costs. In peacekeeping operations, a higher percentage is used for individual missions to take into account the higher turnover of staff and the requirement for very specialized annual training, which, because of its nature, is provided at a higher cost, to keep staff abreast of rapid changes in technology and high-value equipment in areas such as communications, transportation and air safety. These areas reflect the most significant resources in the category of operational costs.

34. Total resources proposed for the training of civilian staff in peacekeeping for the period 2004/05 amount to $5.8 million. Related training resources approved for the period 2003/04 total $8.9 million, which represents a decrease of $3.1 million. Training resources for the 2004/05 period represent an average of 1.4 per cent of civilian staff costs, compared with 2.3 per cent for the 2003/04 period. This overall average is consistent with that of the programme budget. Table 11 provides the total resources proposed for civilian staff training.

Table 11
Proposed civilian staff training resources
(Thousands of United States dollars. Budget year is from 1 July to 30 June.)

	2003/04			2004/05		
Peacekeeping component	*Training resources*[a]	*Civilian staff costs*[b]	*Percentage share*	*Training resources*[a]	*Civilian staff costs*[b]	*Percentage share*
MINURSO	104.0	14 034.6	0.7	300.0	13 439.3	2.2
MONUC	1 103.1	56 288.7	2.0	321.1	73 536.5	0.4
UNAMSIL	609.5	24 195.2	2.5	121.5	21 450.7	0.6
UNDOF	224.8	5 753.0	3.9	139.0	7 621.6	1.8
UNFICYP	163.7	7 951.6	2.1	84.6	9 712.4	0.9
UNIFIL	434.1	24 307.7	1.8	350.0	28 965.1	1.2
UNMEE	518.3	15 731.2	3.3	627.6	20 369.9	3.1
UNMIK	540.9	94 185.4	0.6	392.9	87 252.5	0.5
UNMIL[c]	1 414.9	26 641.3	5.3	600.0	48 621.5	1.2
UNMISET	441.5	29 549.1	1.5	—	2 418.8	—
UNOMIG	414.8	10 499.3	4.0	352.7	11 877.9	3.0
Subtotal, missions	**5 969.6**	**309 137.1**	**1.9**	**3 289.4**	**325 266.2**	**1.0**
UNLB	769.6	5 824.8	13.2	390.9	9 305.6	4.2
Support account	2 216.5	74 697.2	3.0	2 169.9	83 519.0	2.6
Total	**8 955.7**	**389 659.1**	**2.3**	**5 850.2**	**418 090.8**	**1.4**

[a] Comprises consultants, general temporary assistance, official travel and training fees, supplies and services.
[b] Comprises net salaries and common staff costs of international and national staff only.
[c] Excludes estimate for the 2004/05 period for training fees, supplies and services pending the finalization of the detailed budget.

G. Information and communication technology

35. Central in the information and communications technology strategy of the Department of Peacekeeping Operations is the standardization of information systems and platforms. In 2002, the Communications and Information Technology Service conducted a comprehensive analysis of existing databases, which resulted in a project on database consolidation aimed at ensuring compatibility and optimal effectiveness. In order to ensure operational continuity during the consolidation and standardization processes, the Service has adopted a phased approach, as follows:

(a) Phase 1 (analysis of databases and systems supported by the Service — completed in September 2002): the Service worked with database business owners to make recommendations to retire outdated databases and for the consolidation of existing databases into enterprise-wide standardized systems;

(b) Phase 2 (consolidation and standardization of existing databases into enterprise-wide systems — completion targeted for June 2004): in the 2002/03 period, this exercise resulted in a reduction in the number of active databases from

over 3,000 to approximately 800. By its targeted completion date of June 2004, it is projected that the number of active databases will be further reduced to 175.

36. The Information and Communications Technology Board, which was established by the Secretary-General, has been working on a uniform methodology for evaluating information and communication projects and initiatives throughout the Secretariat, including a uniform approach to cost-benefit analyses. The Board has created a Project Review Committee to review all information and communication technology (ICT) projects, including those being managed and/or developed by the Department. The Board has also created a Project Review Committee Formation Task Force to advance the Committee's initiative and to create a structure that will be conducive to the expeditious review of ICT cases. The Task Force will establish a uniform methodology for evaluating the high-level business case for each ICT project. This will include: (a) using results-based budgeting to provide indicators of achievement and output measures for ICT performance to facilitate global analysis of operations; and (b) limiting duplication of efforts and best leveraging ICT investment throughout the Secretariat. To this end, the methodology has been developed for assessing the high-level business case (including cost-benefit analysis, an analysis of critical success factors, time scale and costs, funding appraisals, risk analysis and return on investment) of ICT projects. Once approved by the Board, the high-level business case methodology for the assessment of ICT investments in the Secretariat was applied to systems implemented by the Department in 2003.

37. In connection with the funds monitoring tool, the Board of Auditors used and reviewed the tool in its recent audit of the financial statements of United Nations peacekeeping operations for the period from 1 July 2002 to 30 June 2003. The Board provided positive feedback on the tool and recommended that the Office of Programme Planning, Budget and Accounts and the Department of Peacekeeping Operations provide related training to all cost-centre managers in peacekeeping missions and establish benchmarks for peacekeeping missions against which expenditure performance can be measured. All mission cost-centre managers will be trained in the funds monitoring tool in April and June 2004. The incorporation of expenditure plans and benchmarks and a link between incumbency data and expenditure in the funds monitoring tool will be implemented in the middle of 2005.

38. In the context of the support account, the Communications and Information Technology Service is conducting an independent review of the Department's current information and communications technology capabilities and strategy to support the Department's efforts to assess the effectiveness and efficiency of its information management systems.

39. The total resources proposed for ICT in peacekeeping for the period 2004/05 amount to $107.7 million, compared with $136.3 million for the period 2003/04. This represents a decrease of $28.6 million (21 per cent) in resources, which is attributable primarily to reduced requirements for UNAMSIL, UNMIK and UNMISET, which are in the process of downsizing. In addition, projected requirements for UNMIL for the 2004/05 period are preliminary and limited at this stage, pending the finalization of the 2004/05 budget in March 2004. The proposed amount of $107.7 million for 2004/05 represents 10 per cent of the total direct military and civilian personnel costs, compared with 12 per cent for the 2003/04 period.

40. The total resources proposed for ICT, including for UNLB and the support account, are set out in table 12.

Table 12
Proposed resources for information and communication technology
(Thousands of United States dollars. Budget year is from 1 July to 30 June.)

	2003/04			*2004/05*		
Peacekeeping component	*Total resources, ICT*	*Total cost, military and civilian personnel*	*Percentage share*	*Total resources, ICT*	*Total cost, military and civilian personnel*	*Percentage share*
MINURSO	1 455.1	18 681.6	7.8	3 276.1	17 521.4	18.7
MONUC	23 979.4	217 262.1	11.0	22 378.3	252 389.8	8.9
UNAMSIL	18 538.0	215 749.7	8.6	7 732.5	86 406.8	8.9
UNDOF	3 455.2	20 005.8	17.3	2 728.4	21 865.8	12.5
UNFICYP	1 669.2	24 836.5	6.7	1 699.8	26 721.0	6.4
UNIFIL	2 514.0	53 290.3	4.7	2 587.4	57 947.7	4.5
UNMEE	7 743.8	75 615.6	10.2	9 532.8	80 210.8	11.9
UNMIK	12 515.8	194 062.4	6.4	9 371.7	172 949.4	5.4
UNMIL[a]	41 315.2	129 948.5	31.8	30 597.0	299 262.2	10.2
UNMISET	6 071.1	79 705.7	7.6	824.0	2 418.8	34.1
UNOMIG	2 728.4	13 488.9	20.2	2 589.1	15 300.4	16.9
Subtotal, missions	**121 985.2**	**1 042 647.1**	**11.7**	**93 317.1**	**1 032 994.1**	**9.0**
UNLB	7 609.8	5 824.8	130.6	8 217.9	9 305.6	88.3
Support account	6 672.2	74 697.2	8.9	6 155.5	83 519.0	7.4
Total	**136 267.2**	**1 123 169.1**	**12.1**	**107 690.5**	**1 125 818.7**	**9.6**

[a] Requirements for information and communication technology resources for the 2004/05 period are preliminary, pending finalization of the detailed budget.

H. Management of contingent-owned equipment and memorandums of understanding

41. As at 31 January 2004, verification reports up to June 2003 had been processed for all troop-contributing countries participating in MONUC, UNDOF, UNFICYP, UNIFIL, UNAMSIL, UNMEE, UNMISET, UNMIK and UNTAET/UNMISET where memorandums of understanding had been signed. Processing could not be undertaken for nine units in MONUC, as verification reports had not been received by the end of December 2003. In addition, reimbursements for two units in MONUC, one unit in UNAMSIL, one unit in UNIFIL, one unit in UNTAET and nine units in UNMISET could not be processed owing to unsigned memorandums of understanding.

42. The Department is redirecting its process from counting claims to placing emphasis on verification reports and the periodic processing of verification reports to calculate reimbursements.

43. With regard to improvements made during the period ended 30 June 2003, the average interval for the completion of memorandums of understanding, namely from the start of negotiations to the time of signature, was reduced from 198 days in 1999 to 102 days in 2002. For the period ended 30 June 2003, the number of memorandums of understanding under negotiation with troop-contributing countries totalled 60, of which 27 are currently pending signature.

44. In its report (A/57/772, para. 66), the Advisory Committee observed that there appeared to be too many steps in the handling of memorandums of understanding (e.g., there were 24 steps shown in document A/56/939, annex I) and that the number of steps should be reduced. As a clarification, the 24 steps were the result of a mapping analysis process. Within the overall process, the major steps required in the negotiation process are: (a) the transmittal of a draft memorandum of understanding to the troop-contributing country for review and discussion; (b) discussion with the troop-contributing country on the draft memorandum of understanding, with adjustments made as required; (c) transmittal of the final draft of the memorandum of understanding to the troop-contributing country for concurrence; and (d) upon the concurrence of the troop-contributing country, the signature of the memorandum of understanding by the Assistant Secretary-General for Mission Support and its transmittal to the permanent mission of the troop-contributing country for signature.

45. To further expedite the completion of memorandums of understanding, detailed proposals to streamline and rationalize the reimbursement process will be presented to the 2004 Working Group on Reimbursement of Contingent-owned Equipment at its meeting at Headquarters from 23 February to 5 March 2004.

46. Reimbursements to troop-contributing countries during the period from January to December 2003 are indicated in table 13.

Table 13
Status of liabilities to troop-contributing countries for troops, contingent-owned equipment and self-sustainment

A. Summary of liabilities for troops, contingent-owned equipment and self-sustainment

(Thousands of United States dollars)

	2002	*2003*
Owed as at 1 January	748 434	705 087
Estimated amounts owed during the year	704 374	607 907
Less: payments made during the year	747 721	870 329
Balance at 31 December	**705 087**	**442 665**

B. Liabilities for troops

(Thousands of United States dollars)

	2002	*2003*
Owed as at 1 January	174 566	135 452
Estimated amounts owed during the year[a]	512 414	444 031
Less: payments made during the year	551 528	453 743
Balance at 31 December	**135 452**	**125 740**

[a] The estimated amount owed for 2002 was adjusted to include amounts owed for UNDOF and UNIFIL that had been previously excluded.

C. Liabilities for contingent-owned equipment and self-sustainment

(Thousands of United States dollars)

	2002	*2003*
Owed as at 1 January	573 868	569 635
Estimated amounts owed during the year	191 960	163 876
Less: payments made during the year	196 193	416 586
Balance at 31 December	**569 635**	**316 925**

I. Death and disability

47. Table 14 provides information on claims related to death and disability compensation that were processed during the period from January to December 2003.

Table 14
Status of claims for death and disability compensation for 2003

A. Summary of death and disability compensation

(Amounts in thousands of United States dollars)

	Claims paid		*Claims rejected*		*Claims pending*	
Peacekeeping mission	*Number*	*Amount*	*Number*	*Amount*	*Number*	*Amount*
MINURSO	—	—	—	—	—	—
MONUC	4	209.0	—	—	16	100.0
UNAMSIL	33	1 030.0	19	190.0	49	1 558.0
UNDOF	7	26.5	1	1.0	3	9.0
UNFICYP	—	—	2	0.4	—	—
UNIFIL	2	53.5	1	50.0	—	—
UNIKOM	1	17.5	—	—	12	390.0
UNMEE	7	59.0	1	7.5	4	36.5
UNMIK	—	—	—	—	2	100.0
UNTAET/UNMISET	16	539.5	4	43.0	2	5.5
UNOMIG	—	—	—	—	—	—
Total	**70**	**1 935.0**	**28**	**291.9**	**88**	**2 199.0**

B. Death compensation

(Amounts in thousands of United States dollars)

	Claims paid		*Claims rejected*		*Claims pending*	
Peacekeeping mission	*Number*	*Amount*	*Number*	*Amount*	*Number*	*Amount*
MINURSO	—	—	—	—	—	—
MONUC	4	209.0	—	—	12	100.0
UNAMSIL	18	923.0	—	—	30	1 450.0
UNDOF	7	26.5	1	1.0	3	9.0
UNFICYP	—	—	—	—	—	—
UNIFIL	1	50.0	1	50.0	—	—
UNIKOM	—	—	—	—	10	355.0
UNMEE	1	50.0	—	—	—	—
UNMIK	—	—	—	—	2	100.0
UNTAET/UNMISET	10	525.0	—	—	—	—
UNOMIG	—	—	—	—	—	—
Total	**41**	**1 783.5**	**2**	**51.0**	**57**	**2 014.0**

C. Disability compensation

(Amounts in thousands of United States dollars)

	Claims paid		*Claims rejected*		*Claims pending*	
Peacekeeping mission	*Number*	*Amount*	*Number*	*Amount*	*Number*	*Amount*
MINURSO	—	—	—	—	—	—
MONUC	—	—	—	—	4	—
UNAMSIL	15	107.0	19	190.0	19	108.0
UNDOF	—	—	—	—	—	—
UNFICYP	—	—	2	0.4	—	—
UNIFIL	1	3.5	—	—	—	—
UNIKOM	1	17.5	—	—	2	35.0
UNMEE	6	9.0	1	7.5	4	36.5
UNMIK	—	—	—	—	—	—
UNTAET/UNMISET	6	14.5	4	43.0	2	5.5
UNOMIG	—	—	—	—	—	—
Total	**29**	**151.5**	**26**	**240.9**	**31**	**185.0**

48. As regards the pending claims related to UNAMSIL, the delay in their settlement is attributable primarily to incomplete documentation, including delays in the provision of medical records to confirm that incidents resulted in permanent injury and delays in confirmation by the contingent board of inquiry that the injuries were incurred in connection with service.

J. Peacekeeping procurement

49. In the area of ground transportation, the Transport Section of the Department of Peacekeeping Operations employed consultancy services to review the process of vehicle procurement with the goal of ensuring probity and transparency in the acquisition process. The Section also initiated a consultancy to review the spare parts operations, including procurement and warehousing methods. The spare parts consultant provided a wide-ranging list of recommendations for improvement. Focusing in particular on the means to reduce acquisition lead times from the current 146 to 212 days to 40 to 90 days, the report estimates that the spare parts inventory level could be reduced by $15 million (approximately 40 per cent of the current level) over a 12-month period with further annual budget reductions of $3.5 million (approximately 12 to 18 per cent). The recommendations to effect these improvements fall into three major groups: "quick fixes" to immediately improve a number of aspects of the business; development of effective information technology to deal with spare parts and the peculiarities of intermittent demand forecasting combined with appropriate decision support tools as part of an overall fleet management system; and administrative actions in the longer term to improve storage facilities, staff training, delivery, contracts and information flow. Moreover, the Section reviewed the requirement and worked with the Procurement Division to negotiate systems contracts with vendors that offered more advantageous packages for warranty, training and other ancillary issues.

K. Banking arrangements

50. The Treasury is assisting peacekeeping missions in their banking arrangements, with particular attention given to negotiating lower bank charges and identifying more efficient and cost-effective procedures. This includes the introduction of competitive bidding for banking services in missions where more than one bank can provide the required services, such as in UNMIK and in UNMIL. In August 2002, a model banking agreement was developed to standardize practices among peacekeeping missions and to provide a level of security for funds held in the mission areas. Agreements with various banks are currently being negotiated on the basis of that model.

IV. Conclusion

51. The present report provides an overview of the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations for the performance period 2002/03 and the budget period 2004/05. The report summarizes enhancements in the results-based-budgeting methodology in peacekeeping and responds to requests made by the legislative bodies during the fifty-seventh session of the General Assembly.

United Nations A/58/706

General Assembly

Distr.: General
10 February 2004

Original: English

Fifty-eighth session
Agenda item 134
Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Budget for the United Nations Logistics Base at Brindisi for the period from 1 July 2004 to 30 June 2005

Report of the Secretary-General

Contents

		Paragraphs	Page
I.	Mandate and planned results	1–6	4
II.	Resource requirements		9
III.	Analysis of variances	7–16	10
IV.	Adjustment in the amount to be prorated	17–20	12
V.	Actions to be taken by the General Assembly	21	13
VI.	Summary of follow-up action taken to implement requests and recommendations of the Advisory Committee on Administrative and Budgetary Questions		14
Annex			
	United Nations Logistics Base organization chart and proposed additional posts (2004/05)		15

04-23576S (E) 040304

Summary

The present report contains the budget for the United Nations Logistics Base at Brindisi, Italy, for the period from 1 July 2004 to 30 June 2005, which amounts to $28,799,700.

The budget provides for the deployment of 37 international staff and 114 national staff.

The total resource requirements for the Logistics Base for the financial period from 1 July 2004 to 30 June 2005 have been linked to the Base's objective through a results-based framework under a support component.

Financial resources

(Thousands of United States dollars. Budget year is from 1 July to 30 June.)

Category	*Expenditures (2002/03)*	*Apportionment (2003/04)*	*Cost estimates (2004/05)*	*Variance*	
				Amount	*Percentage*
Military and police personnel	—	—	—	—	—
Civilian personnel	6 863.9	7 091.3	11 008.7	3 917.4	55.2
Operational costs	7 583.6	15 116.8	17 791.0	2 674.2	17.7
Gross requirements	**14 447.5**	**22 208.1**	**28 799.7**	**6 591.6**	**29.7**
Staff assessment income	1 086.9	1 258.5	1 695.1	436.6	34 7
Net requirements	**13 360.6**	**20 949.6**	**27 104.6**	**6 155.0**	**29.4**
Voluntary contributions in kind (budgeted)	—	—	—	—	—
Total requirements	**14 447.5**	**22 208.1**	**28 799.7**	**6 591.6**	**29.7**

Human resources

	Military observers[a]	*Military contingents*[a]	*Civilian police*[a]	*Formed police units*[a]	*International staff*	*National staff*[b]	*United Nations Volunteers*	*Government-provided personnel*	*Civilian electoral observers*	*Total*
Support										
Approved 2003/04	—	—	—	—	37	99	—	—	—	**136**
Proposed 2004/05	—	—	—	—	37	114	—	—	—	**151**
Net change	—	—	—	—	—	**15**	—	—	—	**15**

[a] Represents highest level of authorized/proposed strength.
[b] Includes national officers and national General Service staff.

The actions to be taken by the General Assembly are set out in section V of the present report.

I. Mandate and planned results

1. The United Nations Logistics Base at Brindisi, Italy, has been in operation since late 1994 under a rent-free arrangement with Italy. The memorandum of understanding regarding the use by the United Nations of the facilities was signed by the Secretary-General and Italy on 23 November 1994 and was amended on 7 December 2001.

2. The overall objective for the Logistics Base is to ensure effective and efficient peacekeeping operations.

3. Within this overall objective, the Logistics Base will, during the budget period, contribute to one expected accomplishment by delivering related key outputs, shown in the framework below. The indicators of achievement show a measurement of progress towards such accomplishment during the budget period. The framework has been presented along five programmatic lines, namely, maintenance of assets and facilities, supply and warehousing, communication and information technology, training and air operations.

4. As compared to the period 2003/04, the presentation of the budget along five programmatic lines has been limited to the framework only, while the financial requirements have been shown at the aggregate level. The reason for this aggregation is that instead of each programme being a separate entity there are significant cross-subsidies between the five programmes, making it very difficult for the Logistics Base to split and justify the financial requirements for each programme.

Component: support

Expected accomplishments	*Indicators of achievement*	
1. Increased efficiency and effectiveness in conducting, managing, directing and supporting peacekeeping operations	1.1	100% availability of stocks for one complex mission
	1.2	Shipment processing time from Headquarters materiel release order to dispatch reduced from 60 days in 2003/04 to 30 days in 2004/05. Target: 20 days in 2005/06
	1.3	Trans-shipment stocks minimized to holding period of 90 days
	1.4	Availability of worldwide communication and information technology network for peacekeeping operations increased from 99.5% (2003/04) to 99.6% (2004/05). Target: 99.7% (2005/06)

Outputs

Maintenance of assets and facilities

- Maintained 49 buildings, 16 soft wall shelters and 365,705 m^2 open storage area
- Refurbished 55% of 11 km of roadways in the base
- Maintained strategic deployment stocks fleet of 1,190 vehicles and 350 generators to warranty standards
- Maintained United Nations Logistics Base vehicle fleet of 118, consisting of light, medium and heavy forklifts, trucks, trailers, sedans and delivery vans at 95% readiness state
- Commissioned San Prancrazio depot with dehumidified shelters for long-term storage of strategic deployment stocks vehicle fleet
- New Galileo-based inventory management system incorporated for United Nations reserve and strategic deployment stocks

Supply and warehousing programme

- 12,000 tons of goods shipped by sea/air/land
- 200 sea containers refurbished and certified for seaworthiness

Communication and information technology

- Maintained worldwide communication and information technology networks for peacekeeping missions and headquarters, including provision of worldwide voice, video and data network
- Handled 22,000 mission communication and information technology support calls
- System integration of 1 rapid deployment tele-system for a complex mission and 9 mobile deployable tele-system (MDTS VAN) carried out

- Maintained the following systems:

  – 4 global system mobile (GSM) cellular sites

  – 37 satellite trailers

  – 6 complete broadcast studios/transmitter combination

  – 1 digital trunking system

  – 1 transportable traffic control tower for airport

Training

- Managed 110 courses for 1,500 participants for Logistics Support Division/Department of Peacekeeping Operations
- Maintained 12 training centre facilities with a capacity of 250 participants

Air operations

- Handled 150 aircraft movements

External factors

Suppliers will provide goods and services as contracted

Continuing Italian Government support

Table 1
Human resources: support component

	International staff										
	USG -ASG	*D-2 -D-1*	*P-5 -P-4*	*P-3 -P-1*	*Field Service*	*General Service*	*Security Service*	**Subtotal**	*National staff*[a]	*United Nations Volunteers*	**Total**
Office of Administration											
Approved 2003/04	—	1	4	3	3	—	—	**11**	26	—	**37**
Proposed 2004/05	—	1	5	2	3	—	—	**11**	29	—	**40**
Net change	—	—	**1**	**(1)**	—	—	—	—	**3**	—	**3**
Supply and Warehousing Unit											
Approved 2003/04	—	—	1	2	2	—	—	**5**	27	—	**32**
Proposed 2004/05	—	—	1	2	2	—	—	**5**	30	—	**35**
Net change	—	—	—	—	—	—	—	—	**3**	—	**3**
Training Unit											
Approved 2003/04	—	—	—	—	—	—	—	—	3	—	**3**
Proposed 2004/05	—	—	—	—	—	—	—	—	3	—	**3**
Net change	—	—	—	—	—	—	—	—	—	—	—
Maintenance of Assets and Facilities Unit											
Approved 2003/04	—	—	2	—	5	—	—	**7**	28	—	**35**
Proposed 2004/05	—	—	2	—	5	—	—	**7**	34	—	**41**
Net change	—	—	—	—	—	—	—	—	**6**	—	**6**
Communication and Information Technology Unit											
Approved 2003/04	—	—	1	1	10	—	—	**12**	15	—	**27**
Proposed 2004/05	—	—	1	1	10	—	—	**12**	17	—	**29**
Net change	—	—	—	—	—	—	—	—	**2**	—	**2**
Air Operations Unit											
Approved 2003/04	—	—	—	1	1	—	—	**2**	—	—	**2**
Proposed 2004/05	—	—	—	1	1	—	—	**2**	1	—	**3**
Net change	—	—	—	—	—	—	—	—	**1**	—	**1**
Total											
Approved 2003/04	—	1	8	7	21	—	—	**37**	99	—	**136**
Proposed 2004/05	—	1	9	6	21	—	—	**37**	114	—	**151**
Net change	—	—	**1**	**(1)**	—	—	—	—	**15**	—	**15**

[a] Includes national officers and national General Service staff.

5. The following re-classifications are proposed in the budget:

(a) Chief, Civilian Personnel Officer, from P-3 to P-4, owing to greater delegation of authority from Headquarters. The proposed upgrade will also synchronize the level of this post with other small to medium-sized missions;

(b) Legal Officer, from P-2 to P-3, owing to an increase in responsibilities which will include providing advice to the Chief Administrative Officer on substantive and procedural questions regarding human resource management, procurement and contracts as well as matters concerning the relations of the Logistics Base with the host Government;

(c) Chief, Information Technology Unit, from P-2 to P-3. As the Base has become a global hub for communications and information technology support to other peacekeeping missions, the competencies and responsibilities required to manage the services have increased.

6. In addition, the budget contains a proposal to regularize 15 individual contractors that are under operational costs in the financial period 2003/04 into 15 national posts (fixed-term under the 100 series of the Staff Rules) in the areas of finance, procurement, personnel, transport, engineering, air operations and communications. An overall survey by the Department of Peacekeeping Operations revealed that these posts are core functions on a continuous basis for which the current individual contracts are not appropriate.

II. Resource requirements

A. Overall

(Thousands of United States dollars. Budget year is 1 July to 30 June.)

Category	*Expenditures (2002/03)*	*Apportionment (2003/04)*	*Cost estimates (2004/05)*	*Variance*	
				Amount	*Percentage*
	(1)	*(2)*	*(3)*	*(4)=(3)-(2)*	*(5)=(4)÷(2)*
Military and police personnel					
Military observers	—	—	—	—	—
Military contingents	—	—	—	—	—
Civilian police	—	—	—	—	—
Formed police units	—	—	—	—	—
Subtotal	—	—	—	—	—
Civilian personnel					
International staff[a]	3 051.9	2 889.0	4 700.0	1 811.0	62.7
National staff[b]	3 812.0	4 202.3	6 308.7	2 106.4	50.1
United Nations Volunteers					
Subtotal	**6 863.9**	**7 091.3**	**11 008.7**	**3 917.4**	**55.2**
Operational costs					
General temporary assistance	—	59.0	59.0	—	—
Government-provided personnel	—	—	—	—	—
Civilian electoral observers	—	—	—	—	—
Consultants	5.2	50.0	242.0	192.0	384.0
Official travel	281.5	325.2	302.6	(22.6)	(6.9)
Facilities and infrastructure	2 730.6	4 320.2	6 048.0	1 727.8	40.0
Ground transportation	1 028.4	1 609.3	1 867.5	258.2	16.0
Air transportation	—	—	—	—	—
Naval transportation	—	—	—	—	—
Communications	1 142.0	5 218.1	4 658.3	(559.8)	(10.7)
Information technology	1 004.6	2 391.7	3 559.6	1 167.9	48.8
Medical	25.8	102.8	200.0	97.2	94.6
Special equipment	—	—	—	—	—
Other supplies, services and equipment	1 365.5	1 040.5	854.0	(186.5)	(17.9)
Quick-impact projects					
Subtotal	**7 583.6**	**15 116.8**	**17 791.0**	**2 674.2**	**17.7**
Gross requirements	**14 447.5**	**22 208.1**	**28 799.7**	**6 591.6**	**29.7**
Staff assessment income	1 086.9	1 258.5	1 695.1	436.6	34.7
Net requirements	**13 360.6**	**20 949.6**	**27 104.6**	**6 155.0**	**29.4**
Voluntary contributions in kind (budgeted)	—	—	—	—	—
Total requirements	**14 447.5**	**22 208.1**	**28 799.7**	**6 591.6**	**29.7**

[a] Cost estimates for 2004/05 are inclusive of a 10% vacancy rate compared to a 15% vacancy rate applied in 2003/04.
[b] Cost estimates for 2004/05 are inclusive of a 5% vacancy rate as applied in 2003/04.

B. Non-budgeted contributions

Category	*Estimated value (Thousands of US dollars)*
Memorandum of understanding[a]	1 620.7

[a] Inclusive of office buildings, workshop structures and warehouse structures provided by Italy.

III. Analysis of variances[1]

Reference

This section describes the single largest contributing factor of each resource variance according to specific standard options encompassed in the four standard categories listed below:

- **Mandate**: Variances caused by changes in the scale or scope of the mandate, or changes in the expected accomplishments as driven by the mandate
- **External**: Variances caused by parties or situations external to the United Nations
- **Cost parameters**: Variances caused by United Nations regulations, rules and policies
- **Management**: Variances caused by management actions to achieve planned results more effectively (e.g., by reprioritizing or adding certain outputs) or efficiently (e.g., by taking measures to reduce personnel or operational inputs while maintaining the same level of outputs) and/or from performance-related issues (e.g., by having underestimated the costs or quantities of inputs required to produce a certain level of outputs, or by delayed recruitment).

	Variance	
International staff	$1,811.0	62.7%

- **Cost parameters: revised salary scales**

7. The increased requirements are due mainly to an increase in international staff salaries based on standard salary costs effective 1 July 2004 and a proposed vacancy rate of 10 per cent as opposed to 15 per cent in the period 2003/04.

[1] Resource variance amounts are expressed in thousands of United States dollars.

	Variance	
National staff	$2,106.4	50.1%

- **Cost parameters: appreciation in the value of the euro**

8. The increased requirements are due mainly to an appreciation in the value of the euro as compared to the United States dollar.

	Variance	
Consultants	$192.0	384.0%

- **External: compliance with local regulations**

9. The increase is due mainly to the need to comply with Italian Government and Italian Air Force mandatory certification requirements for having all construction projects, including the asphalting of internal roads, the construction of hardstand areas, the upgrading of the storm water network and the upgrading of the electrical network, certified by a locally registered and certified professional.

	Variance	
Official travel	($22.6)	(6.9%)

- **Management: reduced inputs and same outputs**

10. The reduced requirements are mainly under travel for training, as more training programmes are organized in Brindisi, thus reducing the need for Logistics Base staff to travel abroad.

	Variance	
Facilities and infrastructure	$1,727.8	40.0%

- **Management: additional inputs and same outputs**

11. The increased requirements are due mainly to the acquisition of prefabricated structures as replacement for existing ones to accommodate the communication and information technology staff.

	Variance	
Ground transportation	$258.2	16.0%

- **Management: additional inputs and outputs**

12. The increased requirements are mainly for the preservation and maintenance of the strategic deployment stocks fleet of 1,190 vehicles to ensure that the vehicles are in a state of operational readiness.

	Variance	
Communications	($559.8)	(10.7%)

- **Management: reduced inputs and same outputs**

13. The reduced requirements are due mainly to the receipt of communications equipment and spare parts from a liquidated mission (the United Nations Mission in Bosnia and Herzegovina).

	Variance	
Information technology	$1,167.9	48.8%

- **Management: additional inputs and same outputs**

14. The increased requirements are due mainly to the replacement of equipment in line with the 25 per cent replacement policy.

	Variance	
Medical	$97.2	94.6%

- **Management: additional inputs and same outputs**

15. The increased requirements are due mainly to a revised realistic cost estimate for a vendor contract which includes warehousing, storage, equipment maintenance, rotation and inventory management of medical supplies.

	Variance	
Other supplies, services and equipment	($186.5)	(17.9%)

- **Management: reduced inputs and same outputs**

16. The reduced requirements are mainly under training fees, supplies and services, as most of the training programmes for the Logistics Base staff are organized in Brindisi.

IV. Adjustment in the amount to be prorated

17. In its resolution 56/289 of 27 June 2002 the General Assembly decided that requirements for the United Nations Logistics Base for the period from 1 July 2002 to 30 June 2003 would be financed as follows:

(a) The unencumbered balance of $1,562,400 and other income of $643,000 for the period from 1 July 2000 to 30 June 2001 would be applied to the resources required for the period from 1 July 2002 to 30 June 2003;

(b) The decrease in the staff assessment income of $148,100 would be set off against the unencumbered balance in respect of the financial period ended 30 June 2001;

(c) The balance of $12,087,800 would be prorated among the budgets of the active peacekeeping operations for the period from 1 July 2002 to 30 June 2003.

18. At the same time, the Assembly decided that there would be set off against the balance referred to paragraph 17 (c) above the estimated staff assessment income of $1,077,000 for the period from 1 July 2002 to 30 June 2003, to be prorated among the individual active peacekeeping operation budgets.

19. Resolutions concerning financing for peacekeeping missions for the 2002/03 budget period were based on the pro ration of $12,087,800 gross for the Logistics Base. The related staff assessment income for the Base totalled $1,077,000.

20. As a result, the decrease in staff assessment income of $148,100 which was not prorated among peacekeeping missions for the period 2002/03, needs to be applied to the amount to be prorated for the period from 1 July 2004 to 30 June 2005.

V. Actions to be taken by the General Assembly

21. **The actions to be taken by the General Assembly in connection with the financing of the United Nations Logistics Base are:**

(a) **Appropriation of the amount of $28,799,700 for the maintenance of the Logistics Base for the 12-month period from 1 July 2004 to 30 June 2005;**

(b) **A decision to apply the balance of other income/adjustments of $3,173,700, as proposed in paragraph 13 (b) of the report of the Secretary-General (A/58/702), to the resources required for the period from 1 July 2004 to 30 June 2005;**

(c) **Application of the amount of $148,100, which was underprorated among the individual active peacekeeping operation budgets for the period from 1 July 2002 to 30 June 2003, to the amount to be prorated among the individual peacekeeping operation budgets for the period from 1 July 2004 to 30 June 2005;**

(d) **Proration of the amount of $25,626,000 among the individual active peacekeeping operation budgets to meet the financing requirements of the Logistics Base for the period from 1 July 2004 to 30 June 2005.**

VI. Summary of follow-up action taken to implement requests and recommendations of the Advisory Committee on Administrative and Budgetary Questions

(A/57/772/Add.9)

Request/recommendation	*Action taken to implement request/recommendation*
Further, the Advisory Committee notes that the Logistics Base has slowly emerged as a global hub for communications and information technology support for peacekeeping operations. Therefore, the Committee requests a comprehensive examination of the merit of transferring to the Logistics Base post and non-post resources of the support account earmarked for helping to meet the communications and information technology needs of peacekeeping operations, retaining at Headquarters only a few posts for policy and liaison functions (para. 22).	A comprehensive report examining the merits of transferring to the Logistics Base post and non-post resources is being prepared by the Secretariat and will be submitted to the General Assembly for consideration at its resumed fifty-eighth session.

Annex

United Nations Logistics Base organization chart and proposed additional posts (2004/05)